

Part I: Published Results-Based Plan 2008-09

Ministry of Finance

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TABLE OF CONTENTS**PART I: PUBLISHED RESULTS-BASED PLAN 2008-09**

Vision and Mission	1
Mandate	1
Functions	3
Programs	3
Overview – Areas of Responsibility	4
Agencies, Boards and Commissions	7
Key Economic Outlook and Fiscal Plan Indicators	9
Organization Chart	10
Legislation	11
Summary Financial Information	
Ministry Planned Expenditures 2008-09	14
Operating and Capital Summary by Vote	14

APPENDIX I: ANNUAL REPORT 2007-08	15
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VISION AND MISSION

The vision of the Ministry of Finance is serving the vital public interest by supporting a strong economic, fiscal and investment climate for Ontario.

This vision is based on an Ontario that:

- provides leadership in jobs, income and investment;
- promotes accountability in public sector organizations to ensure the effective management and efficient use of taxpayer dollars;
- spends taxpayers' money on priority programs and public infrastructure investment with increasing economy, efficiency and effectiveness;
- has the financial capacity to sustain these government programs and infrastructure; and
- invests in a better future for the people of Ontario.

In support of this vision, the mission of the Ministry of Finance is to make responsible choices in establishing an environment that will sustain a dynamic, innovative and growing economy. This will enable the effective management of the fiscal, financial and related regulatory affairs of the Province of Ontario. Acting responsibly will guarantee the exceptional quality of life that the people of Ontario deserve.

MANDATE

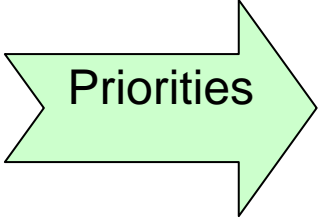
The Ministry of Finance supports the priorities of the Government of Ontario by:

- supporting a strong economy by maintaining a fair and competitive tax system, while making progress towards eliminating the deficit and investing in education, health and infrastructure;
- sustaining a strong economic, fiscal and investment climate for Ontario as a foundation for growth in employment, income and investment for a better future for all Ontarians and the development of the financial capacity to sustain priority programs and public infrastructure investment; and
- promoting accountability in public sector organizations to ensure effective management and efficient use of taxpayer dollars.

Ministry of Finance: Vision, 2008-09
Strong People, Strong Economy

Dynamic, innovative and growing economy

Effective management of financial and regulatory affairs



Priorities

Create a climate for economic growth and job creation

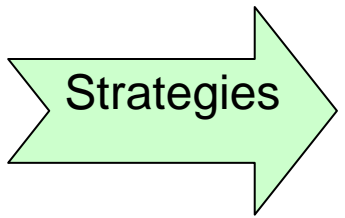
Promote the effective and efficient delivery of government services to taxpayers

Ensure prudent management of the Province's debt

Ensure that public organizations remain accountable to taxpayers for the use of their funds

Reduce spending

Balance the Budget



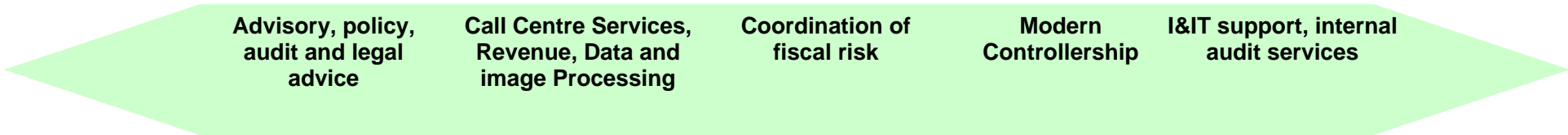
Strategies

Budget and taxation policy

Development and implementation of sound economic and fiscal strategies

Direction, operation and formulation of policies for management of the Province's cash investment, debt financing, credit rating, investor relations and banking activities

Regulation of financial sectors



All Ministry of Finance activities are enablers, providing the foundation for many other activities in the Ontario Public Service.

FUNCTIONS

The Ministry of Finance performs a variety of roles, such as supporting a strong economic, fiscal and investment climate for Ontario and in ensuring accountability in the use of public funds.

As a central agency within government, the ministry:

- provides key fiscal, taxation and economic policy advice and support to the Minister of Finance, Cabinet and the Premier;
- is accountable for financial reporting to the public;
- prepares the Provincial Budget and a mid-year fiscal and economic update (Fall Statement); and
- promotes the principles of modern controllership within the Ontario Public Service and accountability for the use of public funds in all Ontario public sector institutions including universities, hospitals and school boards.

In its line responsibilities, the ministry:

- manages the province's financing arrangements and provincial debt;
- regulates through its agencies the financial services sector including securities, pensions and insurance industries; and
- manages the Ontario Municipal Partnership Fund, the province's main transfer payment to municipalities.

All Ministry of Finance activities are enablers, providing the foundation for many other activities in the Ontario Public Service.

PROGRAMS

Ministry operations are handled by a number of programs and agencies, representing the major business activities as follows.

- Tax Policy and Budget Operations
- Economic, Fiscal and Financial Policy
- Financial Services Industry Regulation
- Treasury
- Ministry Administration

OVERVIEW – AREAS OF RESPONSIBILITY

The Ministry of Finance is responsible for the delivery of a multi-faceted range of strategic roles and activities as described below:

Office of Budget and Taxation (OBT) advises and assists the Minister of Finance and the Government of Ontario in formulating the Ontario Budget and other major economic/fiscal documents. In addition, OBT develops tax policy, tax design and legislation, federal-provincial tax policy, and pension and income security policy.

OBT is also responsible for the Province's taxation, inter-governmental taxation and related policies; as well as conducting quantitative research and analysis to identify broad economic, taxation and fiscal implications of specific policies and emerging trends and developments.

Office of Economic Policy (OEP) provides the Minister with forecasts and analysis of economic and revenue developments and trends; analysis and advice on the economic consequences of government policy proposals; advice and information on economic issues and trends and the development of sound economic strategies that foster economic growth and job creation; analysis and advice on the regulatory framework for financial institutions and the financial services sector; and population projections and analysis of demographic issues.

The office also represents Ontario in federal-provincial-territorial discussions regarding financial services policy, economic analysis and forecasting, fiscal planning and in negotiations with Statistics Canada.

Provincial Local Finance Division (PLFD) provides advice on Ontario's property assessment and taxation system and on municipal funding policy, and is the government's lead on fiscal arrangements with the municipal sector. The Division also manages the \$870 million [Ontario Municipal Partnership Fund \(OMPF\)](#).

The Division oversees the development of policies, legislation and regulations governing the property assessment and taxation system in Ontario, including education property taxes and the business tax capping program.

The Fiscal Strategy and Coordination Division (FSCD) provides analysis and support to Treasury Board/Management Board of Cabinet, the Results-based Planning and Estimates processes, development of the fiscal plan, federal-provincial fiscal relations and in-year expenditure monitoring.

FSCD is also responsible for developing, monitoring and reporting on the fiscal plan and results for the Ontario Quarterly Finances, the Economic Outlook and Fiscal Review, and the Ontario Budget.

Broader Public Service (BPS) Supply Chain Secretariat administers the [OntarioBuys](#) program and works closely with line ministries to ensure its projects are aligned with government priorities and policies. The objective of the OntarioBuys program is to accelerate the adoption of integrated supply chain and back office leading practices by Ontario's broader public sector, in particular, hospitals, schools, colleges and universities. Savings generated by OntarioBuys projects are being redirected towards front-line services such as patient care and teaching.

Office of the Provincial Controller Division (OPCD) provides accounting and financial management policy advice to the government. OPCD maintains the accounts of the Province and prepares the annual Public Accounts of the Province, the Pre-Election Report on Ontario's Finances and the annual Public Sector Salary Disclosure. OPCD also supports the preparation of the Provincial Budget, Ontario Quarterly Finances and the Economic Outlook and Fiscal Review.

Ontario Internal Audit Division (OIAD) provides value added risk and business consulting services, and independent and objective assurance services to the ministries and agencies of the Government of Ontario. OIAD's overall objective is to ensure that the Ontario Government's financial and risk management plans and processes meet the highest standards of integrity, accountability and transparency.

Main Office includes the Offices of the Minister, Parliamentary Assistant and Deputy Minister. Staff support processes related to the legislative policy making and administrative responsibilities of the Minister and Deputy Minister. The office of the Deputy Minister also provides supports to the office of the Minister of Revenue.

Analysis and Planning, Financial and Administrative Services provide corporate strategic planning, monitoring, analysis, controllership, accounting, administrative, facilities, document production and executive decision support services to the Ministry of Finance and Ministry of Revenue. In addition, it includes responsibility for the ministries' security and Emergency Management Program.

Human Resources Branch provides strategic and operational advisory human resources services to the Ministry of Finance and Ministry of Revenue to ensure that both Ministries have a skilled and talented workforce in place to achieve their business objectives.

Finance Revenue Audit Service Team (FRAST) provides value added risk and business consulting services, and independent and objective assurance services to the Ministry of Finance and Ministry of Revenue and certain agencies of the Government of Ontario. OIAD's overall objective is to ensure that the Ontario Government's financial and risk management plans and processes meet the highest standards of integrity, accountability and transparency.

Central Agencies I&IT Cluster (CAC) develops and delivers innovative and customer-focused information technology services and business solutions that support the central agency ministries. The cluster ensures that I&IT plans and projects align with the Ontario Government's business agenda and service delivery strategies (e.g. e-Ontario Initiative).

Revenue Operations and Client Services Branch (ROCSB) supports the Ontario government's financial strategy of maximizing the Province's cash flow and investment flexibility with same day deposit and reporting. The branch provides cost effective remittance, data and image processing for all taxes, fines and fees collected by the Ministry of Finance and its agencies and through partnership with various other provincial ministries and government bodies.

The Ministry Information Centre responds to general program and account-specific tax and grants enquiries, and also handles calls relating to other government initiatives including the Ministry of Labour's Employment Standards Practices.

Communications and Corporate Affairs Branch provides strategic communications advice and planning to the Minister of Finance, the Deputy, and all ministry divisions and, where appropriate, other ministries. The services include: communications planning for ministry programs, policies and initiatives; issues management; developing communications policies for the ministry; responding to public and media enquiries; advertising strategies and implementation; news releases; event planning; media monitoring and analysis; communications evaluation; speeches. The Branch tracks and coordinates responses to all ministerial correspondence and provides information and research services to support ministry staff in their policy role.

Legal Services Branch counsels the Ministry on the interpretation of statutes and regulations, and the preparation and review of proposed legislation, regulations, and other legal documents. General legal services include litigation, prosecutions, settling claims, drafting agreements and provincial legislation, providing legal advice on government financial matters, tax policy, administration and enforcement and the issue and sale of government of Ontario Securities.

AGENCIES, BOARDS AND COMMISSIONS

Ontario Financing Authority (OFA), as an agency of the Ministry of Finance, manages the borrowing, debt, investment and cash management activities of the Province and Ontario Electricity Financial Corporation. It is responsible for financial risk management activities and centralized cash and debt management services. In addition, the OFA provides financial advice to the government on financing proposals related to capital infrastructure, venture capital investments and provides long-term loans to school boards, colleges, hospitals and certain Crown corporations.

Ontario Electricity Financial Corporation (OEFC) is the legal continuation of the former Ontario Hydro and is responsible for managing the legacy debt and other liabilities. The OFA provides risk management, cash management, banking and accounting services to OEFC in order to manage and retire the outstanding debt and derivative contracts of the former Ontario Hydro.

Financial Services Commission of Ontario (FSCO) is the provincial regulator of insurance, pension plans, loan and trust companies, credit unions and caisses populaires, mortgage brokers and co-operative corporations. FSCO delivers effective and efficient regulatory services that protect consumers of financial services and support a reliable, dynamic and competitive industry. FSCO also administers the Motor Vehicle Accident Claims Fund (MVACF) which compensates persons injured in automobile accidents in Ontario where there is no other insurance available to respond to the claim.

Financial Services Tribunal is an independent, adjudicative body that conducts hearings arising from regulatory and proposed regulatory decisions of the Superintendent of FSCO. The Tribunal has exclusive jurisdiction to exercise the powers conferred under the Financial Services Commission of Ontario Act, 1997 and other Acts that confer powers or assign duties to the Tribunal.

Deposit Insurance Corporation of Ontario (DICO) protects depositors in credit unions and caisses populaires by providing deposit insurance within statutory limits and establishing standards of sound business and financial practices. It acts as a stabilization authority with powers to inspect and to supervise the operations of credit unions and caisses populaires in difficulty; administers the affairs of credit unions and caisses populaires with insufficient capital and providing financial assistance to these institutions when necessary; and conducts orderly liquidations and making direct payments to depositors. The Corporation's administrative costs and insurance funding are provided by an annual insurance premium paid by all credit unions and caisses populaires conducting business in the Province of Ontario.

Ontario Securities Commission (OSC) is a self-funded arm's length crown corporation which provides securities regulation in the Province. The OSC's mandate is to provide protection to investors from unfair, improper or fraudulent practices, and to foster fair and efficient capital markets and confidence in capital markets within the

framework imposed by the legislation which the OSC administers and enforces. The OSC is included in the ministry's estimates on a consolidated basis.

Stadium Corporation of Ontario Limited (STADCO) was incorporated on August 1, 1984 under the Business Corporations Act and the Minister of Finance is the sole shareholder. STADCO has ongoing responsibilities for contingent liabilities and obligations resulting from its past construction, operation, maintenance and ownership interest in the Rogers Centre, including the obligation to provide permanent bus parking for the Centre.

Ontario Economic Forecast Council is an advisory agency established by the Minister of Finance to provide advice on the macroeconomic outlook as required by the *Fiscal Transparency and Accountability Act (FTAA)*. The Council meets with the Minister of Finance prior to the Annual Ontario Economic Outlook and Fiscal Review and Ontario Budget. Council members review the economic assumptions underlying the Budget to verify that the forecast was a reasonable basis for planning. During this process, the Council meets with Ministry of Finance staff to discuss emerging economic trends.

Agencies, Boards and Commissions – Financial Summary (\$M)

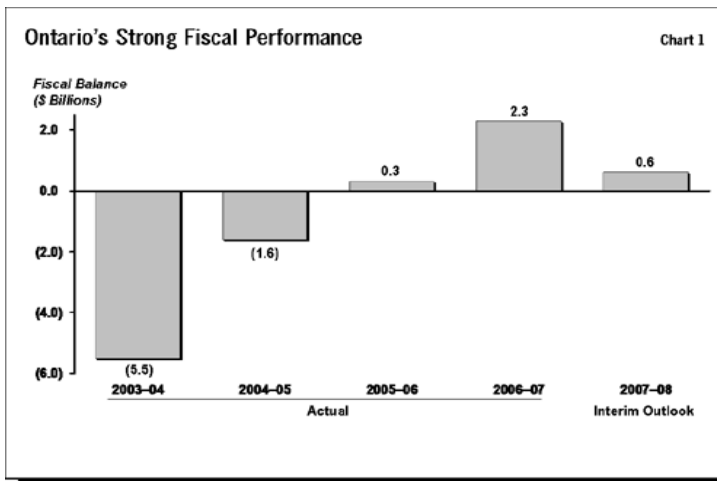
Name	2008-09 Estimates		2007-08 Interim Actuals		2006-07 Actuals	
	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues
OFA	65.8	65.8	25.2	25.2	22.6	22.6
OEFC	2.8	4.1	2.9	4.0	2.9	3.8
FSCO*	60.2	51.8	52.5	53.4	51.2	50.9
DICO**	6.7	22.5	7.0	22.9	5.7	21.0
OSC	86.2	79.1	73.5	78.1	69.3	71.1

* *Expenditures exceed revenues by amount not recovered by fiscal year-end, but recovered during the following year.*

** *Does not include provision for losses.*

GROWING A STRONGER ONTARIO

Some Key Economic Outlook and Fiscal Plan Indicators



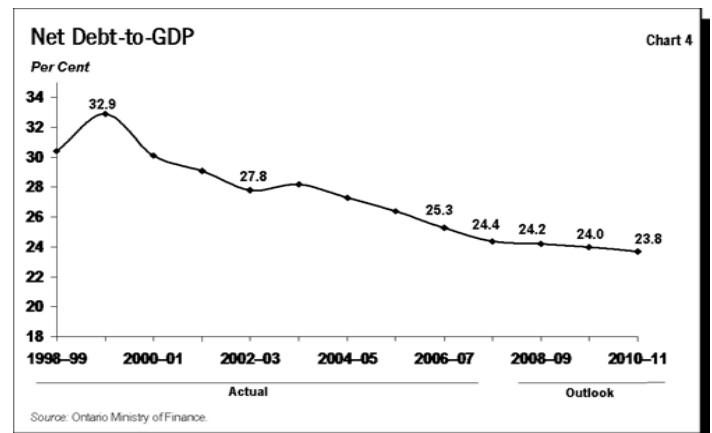
Source: Chapter II p. 75 [2008 Ontario Budget](#)

Ontario's Strong Fiscal Performance

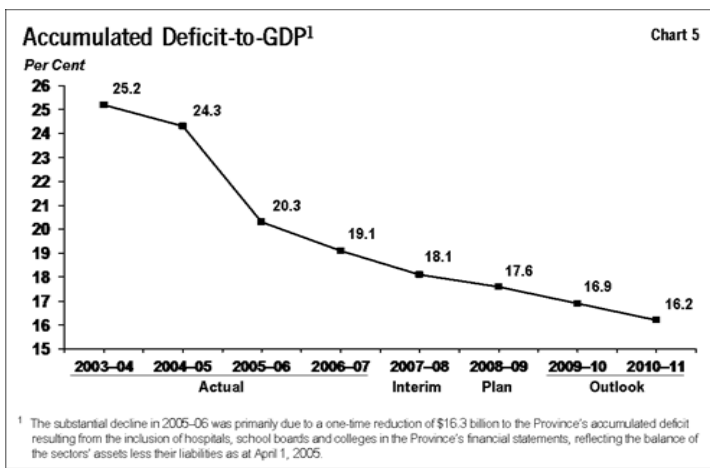
Ontario's economy has been strong and resilient in recent years, with higher-than-forecast employment growth, and robust consumer and business investment spending. With a \$0.6 billion surplus projected for 2007-08, the Province is on track to exceed its planned fiscal target for the fourth year in a row and to achieve its third consecutive surplus. The province also remains on track to post six consecutive balanced budgets between 2005-06 and 2010-11, for the first time since 1908.

Net Debt-to-GDP

Net debt-to-GDP peaked in 1999-2000. Since then, Ontario's net debt-to-GDP ratio has trended downward. The current outlook projections for 2007-08 will be at its lowest level since 1992-93.



Source: Chapter IV p. 153 [2008 Ontario Budget](#)



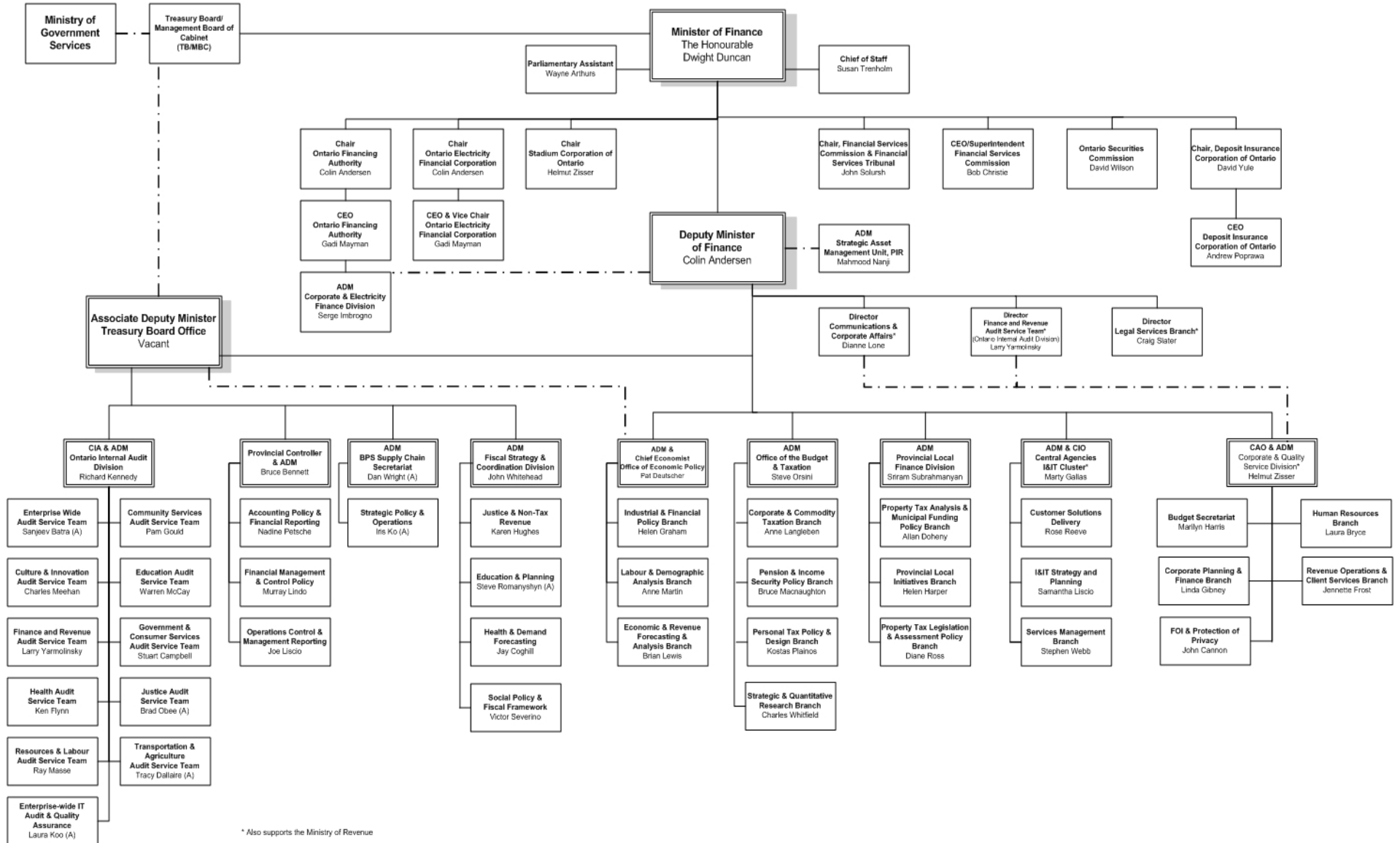
Source: Chapter IV p.153 [2008 Ontario Budget](#)

Accumulated Deficit-to-GDP

In line with projecting six consecutive balanced budgets, the Province's accumulated deficit-to-GDP ratio, a second measure of debt-to-GDP, is forecast to improve.

Ministry of Finance

April 2008



LEGISLATION

The following is a list of the legislation for which the Ministry of Finance has primary legislative or administrative responsibility, sorted by the core business and the item or sub-item.

Tax Policy, Budget and Revenue Operations

Item 1202-1: Budget and Taxation Policy

Crown Foundations Act, 1996
Estate Administration Tax Act, 1998 (shared with Ministry of Revenue)
Ministry of Revenue Act (shared with Ministry of Revenue)
Taxpayer Protection Act, 1999
Pension Benefits Act, 1990 (joint with the Financial Services Commission of Ontario)
Commercial Concentration Tax Act (shared with Ministry of Revenue)
Community Small Business Investment Funds Act (shared with Ministry of Revenue)
Corporations Tax Act (shared with Ministry of Revenue)
Employer Health Tax Act (shared with Ministry of Revenue)
Fuel Tax Act (shared with Ministry of Revenue)
Gasoline Tax Act (shared with Ministry of Revenue)
Highway Traffic Act (only specified provisions) (shared with Ministry of Revenue)
Land Transfer Tax Act (shared with Ministry of Revenue)
Mining Tax Act (shared with Ministry of Revenue)
Race Tracks Tax Act (shared with Ministry of Revenue)
Retail Sales Tax Act (shared with Ministry of Revenue)
Tobacco Tax Act (shared with Ministry of Revenue)
Ontario Guaranteed Annual Income Act (shared with Ministry of Revenue)
Income Tax Act (Ontario) (shared with Ministry of Revenue)
City of Toronto Act, 2006 (joint)
Ontario Home Ownership Savings Plan Act (shared with Ministry of Revenue)
Succession Duty Act Supplementary Provisions Act, 1980 (shared with Ministry of Revenue)
Small Business Development Corporations Act (shared with Ministry of Revenue)
Taxation Act, 2007 (shared with Ministry of Revenue)

Economic, Fiscal and Financial Policy

Item 1203-1: Economic Policy

Statistics Act

Item 1203-5 Provincial-Local Finance Division

Assessment Act

City of Toronto Act, 2006 (joint)

Municipal Property Assessment Corporation Act, 1997

Municipal Act, 2001 (joint)

Education Act (joint)

Provincial Land Tax Act (joint) (shared with Ministry of Revenue)

Provincial Land Tax Act, (2006) (in force on January 1, 2009) (shared with Ministry of Revenue)

Electricity Act, 1998 (only specific provisions)

Tax Incentive Zone Act (Pilot Projects), 2002

Tax Increment Financing Act, 2006

Item 1203-8 Treasury Board Office

Auditor General Act

Capital Investment Plan Act, 1993 (joint)

Financial Administration Act (joint)

Fiscal Transparency and Accountability Act, 2004

Interim Appropriation Acts

Ministry of Treasury and Economics Act

Public Sector Salary Disclosure Act, 1996

Supply Act

Treasury Board Act, 1991

Financial Services Industry Regulation

Item 1204-1: Financial Services Commission of Ontario

Automobile Insurance Rate Stabilization Act, 2003

Compulsory Automobile Insurance Act

Co-operative Corporations Act

Credit Unions and Caisses Populaires Act, 1994

Financial Services Commission of Ontario Act, 1997

Insurance Act

Loan and Trust Corporations Act

Marine Insurance Act

Mortgage Brokers Act

Mortgage Brokerages, Lenders and Administrators Act, 2006

Pension Benefits Act
Prepaid Hospital and Medical Services Act
Registered Insurance Brokers Act

Item 1204-2: Motor Vehicle Accident Claims Fund

Motor Vehicle Accident Claims Act

Securities Regulation

Commodity Futures Act
Securities Act
Toronto Futures Exchange Act
Toronto Stock Exchange Act
Canadian Public Accountability Board Act (Ontario), 2006
Trust Beneficiaries' Liability Act, 2004

Treasury

Statutory Item: Interest on Debt for Provincial Purposes

Capital Investment Plan Act, 1993 (joint)
Financial Administration Act (joint)
Ontario Loan Acts
Electricity Act, 1998 (joint)

Other

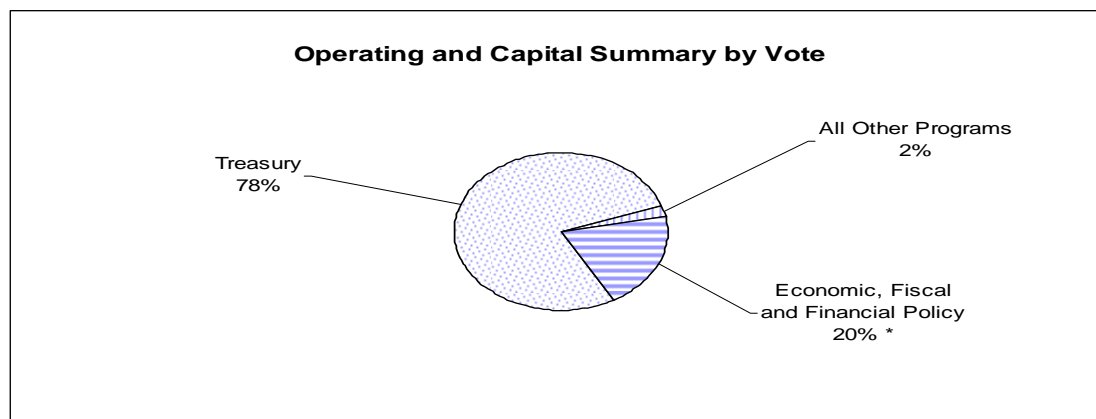
Province of Ontario Savings Office Act, 1990
Province of Ontario Savings Office Privatization Act, 2002
Skydome Act (Bus Parking), 2002
Unclaimed Intangible Property Act, 1990
MPPs Pension Act, 1996
Social Contract Act, 1993

SUMMARY FINANCIAL INFORMATION
Table 1: Ministry Planned Expenditures 2008/09 (\$M)

Ministry Planned Expenditures 2008/09	
Operating	9,986
Capital	-

Table 2: Operating and Capital Summary by Vote

Votes/Programs	Estimates	Change from		Estimates	Interim	Actuals
	2008/09	2007/08	Estimates	2007/08	2007/08	2006/07
	\$	\$	%	\$	\$	\$
OPERATING AND CAPITAL						
Ministry Administration	138,856,200	(8,584,800)	(5.8)	147,441,000	129,592,500	120,222,562
Tax Policy and Budget Operations	69,454,100	56,404,900	432.2	13,049,200	13,747,400	121,718,899
Economic, Fiscal and Financial Policy	1,964,646,500	(548,824,100)	(21.8)	2,513,470,600	1,442,230,700	943,897,831
Financial Service Industry Regulation	8,401,000	1,900,000	29.2	6,501,000	6,500,100	215,896
Results Office	-	(3,117,200)	(100.0)	3,117,200	3,117,200	660,000
Investing in Ontario	1,000	(1,999,999,000)	(100.0)	2,000,000,000	-	-
Total Including Special Warrants	2,181,358,800	(2,502,220,200)	(53.4)	4,683,579,000	1,595,187,900	1,186,715,188
Less: Special Warrants	-	(429,300,000)	(100.0)	429,300,000	-	-
Total to be Voted	2,181,358,800	(2,072,920,200)	(48.7)	4,254,279,000	1,595,187,900	1,186,715,188
Special Warrants	-	(429,300,000)	(100.0)	429,300,000	-	-
Statutory Appropriations	-	-	-	-	-	-
Treasury Program	7,803,600,000	(122,400,000)	(1.5)	7,926,000,000	7,672,258,722	7,667,111,613
Other Statutory Appropriations	67,014	2,315	3.6	64,699	63,699	662,821
Ministry Total Operating and Capital	9,985,025,814	(2,624,617,885)	(20.8)	12,609,643,699	9,267,510,321	8,854,489,622
ASSETS						
Economic, Fiscal and Financial Policy	1,000	1,000	-	-	-	-
Total Assets to be Voted	1,000	1,000	-	-	-	-



*Includes Contingency Fund of \$420 million.

Appendix I: 2007-08 Annual Report

Ministry of Finance

2007/08 Achievements

The Ministry of Finance is responsible for the delivery of a multi-faceted range of strategic roles and activities in support of the Ontario Government's key priorities. These are some highlights of the ministry's 2007-08 achievements.

Office of the Budget and Taxation

- **Ontario Child Benefit** – Designed and developed the [Ontario Child Benefit](#) (OCB) that fundamentally reforms the system of cash benefits for low income families with children. The OCB is a signature initiative for the Government. Implemented the OCB down payment in July 2007, fulfilling a key 2007 Budget commitment to reform cash benefits for all low-income families with children.
- **Enhancing Ontario's Competitiveness** – Designed various corporate tax initiatives to better support Ontario businesses. These measures included proposed cuts to the capital tax for all corporations and elimination of the tax for manufacturing and resource companies, and proposed increases in tax support for film, television and digital media productions, small businesses and innovation.
- **Enhancing Tax Support for Innovation** – A new and unique tax incentive was proposed in the 2008 Budget to support the commercialization of research in priority areas such as clean technologies and advanced health technologies. New corporations that commercialize research by Canadian universities, colleges and research institutes would be exempt from Ontario corporate income tax for 10 years.
- **Protecting the Environment** – Developed initiatives in support of the government's climate change plan, which included a retail sales tax exemption for energy efficient appliances.
- **Coordinating Government Analysis of City of Toronto Act Tax Issues** – Led an inter-ministerial working group providing analysis and leadership for City of Toronto Act tax issues.
- **Streamlining Legislation** – Consolidated the Income Tax Act and the Corporations Tax Act into the Taxation Act, 2007, which cuts the volume of personal and corporate tax legislation and regulations by more than 50 per cent. In collaboration with the Ministry of Revenue, will provide legislative support for the proposed Taxes Administration Act, announced in the 2008 Budget, which would combine common provincial tax administration rules.
- **Locked-in Funds** – Enacted regulations that fulfilled the government's 2007 Budget commitment to introduce a new life income fund (LIF) that provides more flexible incomes for seniors in retirement and permits up to 25 per cent of the funds to be unlocked. The new LIF provides seniors who hold locked-in retirement savings transferred from employment pension plans increased flexibility in managing their retirement income. The regulations permitting the new

LIF were enacted in July 2007, introducing the new LIF effective January 1, 2008.

- **Legislating Tax Measures** – Legislated 2007 Budget tax measures through Bill 187. Introduced legislation (Bill 24 and Bill 44) to implement tax measures proposed in the 2007 Economic Outlook and Fiscal Review and the 2008 Budget.
- **Providing Information to Taxpayers** – Prepared third annual report of the estimated cost of expenditures made through the tax system.

Office of Economic Policy

- **Pre Election Report** – Played a key role in producing first-ever [Pre Election Report on Ontario's Finances](#) and facilitated the Auditor General's successful review of the report that concluded the fiscal plan presented in the 2007 Ontario Budget was a reasonable basis for planning.
- **Release of Quarterly Ontario Economic Accounts** – Released [Quarterly Ontario Economic Accounts](#) within the timelines required by the *Fiscal Transparency and Accountability Act, 2004* (FTAA).
- **Analysis of Unexpected Market Developments** – Conducted analysis of unexpected developments in the economic environment including: financial market instability, the softening U.S. economy, record-high oil prices and the stronger Canadian dollar.
- **2007 Economic Outlook and Fiscal Review** – Delivered the [2007 Economic Outlook and Fiscal Review required by FTAA](#). (This document is also known as the Fall Economic Statement)
- **Amendments to Legislation Governing the Financial Sector in Ontario** – Significant amendments were made in 2007 to the *Credit Unions and Caisses Populaires Act, 1994* that will modernize the business powers of these community-based financial institutions and streamline regulatory requirements. The licensing provisions of the new *Mortgage Brokerages, Lenders and Administrators Act, 2006* came into force on March 1, 2008 and the act will be fully proclaimed on July 1, 2008. The supporting licensing regulations which also came into effect on March 1, 2008 were developed as a result of continued robust consultation with the industry.
- **Supporting the Government's Five Point Economic Plan** – Supported the implementation of the government's five point economic plan by providing expert analysis and advice on effective policy and program design for the 2007 Fall Economic Statement and the 2008 Budget, e.g., the Skills-to-Jobs Action Plan, investments in innovation and key sectors, such as manufacturing, forestry, agriculture and the entertainment and creative cluster.

Provincial-Local Finance

- **Upload of Ontario Drug Benefit and Ontario Disability Support Programs** – Announcement of the upload of the municipal share of costs for the [Ontario Drug Benefit](#) (ODB) program (completed in January 2008) and the [Ontario Disability Support Program](#) (ODSP), which will reduce municipal costs by 2011 by over \$900 million annually.
- **Phase-out of GTA Pooling** – Partnering with other ministries to phase-out the Greater Toronto Area (GTA) pooling. The plan will eliminate a \$200 million burden from the municipal property tax bases of contributing GTA municipalities. Under this plan, the Province will also take responsibility for social assistance and social housing costs currently funded under the program.
- **Reducing Business Education Tax (BET) Rates** – Initiating a \$540 million cut to high [Business Education Tax rates](#) over seven years and announcement of accelerated reductions for northern businesses.
- **Changes to the Property Assessment Appeal System** – The government intends to introduce legislation to implement changes to the assessment appeal system announced in the 2007 Budget — changes designed to create a more streamlined and transparent appeal system. These measures are proposed to take effect for the 2009 taxation year. Details about the proposed new appeal procedures and deadlines will be communicated to property owners in the coming months, prior to the 2009 implementation date.

Fiscal Strategy and Coordination

- **Providing Leadership in Fiscal and Financial Planning** – Led the coordination and monitoring of the Province's fiscal plan and outlook and played a key role in developing the 2008 Budget, 2007 Economic Outlook and Fiscal Review, and quarterly updates of the Province's finances. Also provided support to the Ontario Auditor General in the review of the Province's 2007 Pre-election Report.
- **Supporting Strategic Decision-making** – Provided advice and analysis to the Minister, Priorities and Planning Board, Treasury Board, Management Board of Cabinet and other committees of Cabinet on government fiscal policy and specific program expenditures by reviewing ministry submissions and monitoring expenditures and non-tax revenues.
- **Enhancing Transparency and Accountability through Cross-ministry Consultation and Communication of Best Practices** – Developed and published the Program Evaluation Reference and Resource Guide for the Ontario Public Service (OPS) incorporating seven types of program evaluation methodologies and the OPS Evaluation Framework. Established a Vendor of Record arrangement with twenty-nine vendors for program evaluation and performance measurement services across the Province.
- **Developing Focused and Clear Service Relationships with Ministries** – Provided financial, economic, risk and strategic policy analysis and advice by

assisting ministries in developing their multi-year results-based plans and in-year Treasury Board/Management Board of Cabinet submissions. In addition, the division's portfolio units promoted effective partnerships with other ministries and agencies to support sound, timely decisions, the delivery of priorities that are in line with the fiscal plan and to improve their performance measures.

- **Building Federal/Provincial Partnerships** – Contributed to securing equitable treatment in federal funding arrangements under the Canada Social Transfer by achieving a resolution with respect to funding under the Canada-Ontario Agreement, and finalizing a labour market agreement with the federal government.
- **Managing and Providing Operational and Administrative Support to Treasury Board and Management Board of Cabinet** – Developing focused and clear service relationships with ministries by assisting management in making policy and program and operational decisions and providing financial and fiscal advice in planning, managing and controlling a ministry's activities and resources.
- **Modernizing Ontario's Supply Process** – Developed options and recommendations, in consultation with the ministry's Legal Services Branch, resulting in the introduction of the *Interim Appropriation Act 2007*, authorizing government expenditures prior to the beginning of the new fiscal year – a first in Ontario.

Office of the Provincial Controller

- **Efficient and Effective Reporting** – Delivered in a timely manner the [2006-07 Annual Report and Consolidated Financial Statements](#); the [2007 Pre-Election Report on Ontario's Finances](#); the Disclosure for 2007 under the [Public Sector Salary Disclosure Act, 1996 report](#); and the [2007 Economic Outlook and Fiscal Review](#) and [Quarterly financial reports](#) required by the Fiscal Transparency and Accountability Act (FTAA).
- **Strengthening Accountability** – Worked with the Auditor General to ensure significant provisions of the new Transfer Payment Accountability Directive were applied to year-end transfer payments without compromising their accounting treatment. In addition, improved timelines of the Province's financial reporting were established when the [2008 Budget](#) was tabled prior to the beginning of the 2008-09 fiscal year.

Broader Public Sector – Supply Chain Secretariat

- **Hospital Regional Supply Chains** – Seventy-five hospitals representing 70 per cent of the sector have received funding from [OntarioBuys](#) to help modernize and streamline their systems for ordering, storing and paying for supplies. Hospitals that received early funding are already experiencing lower unit costs, reduced inventory levels with fewer stockouts and less time spent by nurses searching for

supplies. Once fully implemented across the hospital sector, savings of more than \$50 million annually are expected, with improved productivity and internal service quality. Annual savings already exceed \$10 million and internal service levels have been improved.

- **e-Supply Chain Project** – The OntarioBuys e-Supply Chain Project accelerated the adoption of e-commerce tools and processes by 46 facilities comprising 30 per cent of the hospital system. Completed during 2007-08, this two-year project was a resounding success with clear patient benefits, improved supply chain effectiveness and lower hospital costs. A one-time investment of \$13 million has yielded annual savings of \$7 million, which have been redirected towards patient care and other valuable activities. A detailed report and [“roadmap”](#) was released at the Ontario Hospital Association (OHA) November 2007 convention.
- **Hospital Supply Chain Performance Metrics and Standards Initiative – Phase 2** – The Hospital Supply Chain Performance Metrics Working Group, sponsored by OntarioBuys, published its Phase 1 report in November 2006 which identified 48 supply chain metrics and 21 standards. During 2007, the Working Group undertook a Phase II mandate to refine the initial list of standards and metrics. In addition, the Working Group recommended a subset list of metrics and standards prioritized by ease of implementation and importance. By summer of 2008, the Working Group expects to publish the Phase II report to support BPS adoption of common supply chain metrics and standards for the Ontario Hospital sector which spends over \$2 billion in goods and services annually.
- **Ontario Education Collaborative Marketplace (OECM)** – The Ontario Education Collaborative Marketplace (OECM) has been established to facilitate group purchasing and introduce an integrated electronic marketplace. Once implemented, savings and productivity gains are expected to exceed \$250 million over five years and will be redirected to supplies, equipment and other student needs.
- **Electronic Books and Ontario Data Extraction and Infrastructure Service** – Ontario Council of University Libraries received funding in 2007-08 to scan 50,000 books and make them available online to university students. Within 12 months, 100,000 books had been scanned – creating jobs for students and providing 24/7 access to materials for students across Ontario.
- **Operating Room Supply Chain (ORSC) Initiative** – In 2005, the Ministry of Health and Long Term Care (MOHLTC) Surgical Process Analysis and Improvement Expert Panel recommended a plan to improve surgical efficiencies in Ontario’s hospitals and identified eight supply chain best practices targets. Working in close partnership with MOHLTC and the OHA, in October 2007 the BPS Supply Chain Secretariat organized a well attended ORSC Conference and launched the [ORSC pilot program](#). Funding was provided to eight hospitals at the end of 2007/08, assisting them to identify and achieve benefits that can be realized through ORSC improvements over the next 15 months. With an

investment under \$3 million, the program is expected to yield an annual savings of almost \$1.0 million and a one-time inventory savings of close to \$0.9 million.

Ministry Administration

- **Corporate Tax Harmonization** – Delivered electronic access to enable the Ontario and Federal governments to share corporate tax information as part of the intergovernmental initiative on [corporate tax harmonization](#).
- **Modernizing Ontario Systems for Tax Administration Project** – Implemented the first phase of the Modernizing Ontario system for Tax Administration project, which replaced the outdated Retail Sales Tax system. This initiative positions the Ministry of Revenue to apply other changes to address tax clients' needs for simpler ways to do business with the Ontario government.
- **Developed Information Technology Solutions** – Developed information technology solutions to support initiatives from the 2007 Ontario Budget including the [Ontario Child Benefit](#), [Rental Opportunities for Ontario Families](#) and [Corporate Minimum Tax](#).
- **Maximizing Cash Management** – Revenue Operations and Client Services Branch (ROCSB) deposits and reports on multiple streams of revenue that are due to the Province of Ontario on the same day that they are received, maximizing the Ontario Financing Authority's cash management/investment potential.
- **Modernizing Image-based Payment Processing Technology** – In 2007/08 ROCSB's image-based payment processing technology infrastructure was modernized to ensure the sustainability of this core government service over the next 10 years.
- **More Efficient Revenue Processing** – In 2007/08 ROCSB established partnerships with the Federal Government to enable ROCSB to electronically process all federal transfer payments to the Province. In addition, a partnership was established with the Ministry of Government and Consumer Services, Ontario Shared Services to enable ROCSB to process all provincial Accounts receivable.

Financial Services Commission of Ontario

- **New Legislation for the Mortgage Broker Industry** – Worked to implement the new *Mortgage Brokerages, Lenders and Administrators Act, 2006*. The new act will provide better protection for consumers as it imposes new licensing requirements on the entire industry. The new act also requires members of the industry to meet strict education requirements as well as Standards of Practice.
- **Protecting Investors** – Completed a consultation with members of the financial services sector as well as investors, on a framework for disclosing information about mutual funds and segregated funds to investors at the time of purchase. The consultation was done with the Joint Forum.

- **Model Pension Law** – Developed the principles for a model pension law that federal and provincial governments could take into consideration when making amendments to pension legislation. The principles were drafted as part of the work done by the Canadian Association of Pension Supervisory Authorities and relate to registration and basic pension entitlements.
- **Risk Based Regulation** – Developed proposed best practices for risk-based market conduct regulation in the insurance industry. The best practices were drafted as part of the work done by the Canadian Council of Insurance Regulators.
- **Streamlining Legislation** – Developed a plan to implement amendments to the Credit Unions and Caisses Populaires Act, 1994, once proclaimed; developed amendments to the Co-operative Corporations Act and regulations and developed proposals for the implementation of “prudent portfolio” rules to provide increased flexibility to insurers in their investment decisions.
- **Improving Auto Insurance Sector** – Developed a framework for a five year review of the auto insurance system to facilitate updates and improvements to the current system.
- **Protecting Consumers** – Worked to transfer the responsibility for oversight of Statutory Accident Benefits representatives (paralegals) to the Law Society of Upper Canada.
- **Enhanced Data Collection** – Adopted improved methods of collecting insurance company complaint data together with other regulators. The goal is to create a national complaint report data system.

Agencies, Boards and Commissions

- **Protection for Investors** – The Ontario Securities Commission (OSC) created a specialized multi-disciplinary enforcement unit to provide protection to investors against frauds and scams.
- **Modernization of Prospectus Requirements** – The OSC implemented new rules to harmonize and modernize prospectus requirements for all issuers with other Canadian jurisdictions.
- **Harmonization of Take-over Bid and Issuer Bid Requirements** – Achieved harmonization with new take-over bid and issuer bid requirements to provide greater certainty and clarity to this area of securities regulation.
- **Completed the Province’s Borrowing Requirements** – The Ontario Financing Authority (OFA) met the Province’s borrowing requirements of \$18 billion, of which 86% was completed in the domestic market, including the [Ontario Savings Bonds Program](#).
- **Flexible and Diversified Approach to Borrowing** – The OFA maintained a flexible and diversified approach to borrowing, through monitoring of international capital markets, to minimize debt service costs.

- **Centralized Framework for Financing Public Bodies** – The OFA developed a centralized framework for financing public bodies.
- **Completed the Implemented Results of Tenders** – The OFA completed and implemented results of new tenders for banking, cash management and card services.
- **Monitoring the Ontario Electricity Financial Corporation (OEFC)** – Monitored the operating results of OEFC in reducing stranded hydro debt by almost \$1.1 billion.
- **Lending to the Ontario Power Generation (OPG)** – Committed to lend Ontario Power Generation (OPG) up to \$500 million for general corporate purposes and up to \$950 million to refinance existing debt maturities up to December 31, 2009.
- **Ontario Nuclear Funds Agreement** – Provided analysis of OPG's submission to the Canadian Nuclear Safety Commission related to the Province's guarantee under the Ontario Nuclear Funds Agreement of \$760 million.

Table 1: Ministry Expenditures and Staff Strength 2007/08

	Ministry Interim Actual Expenditures * 2007/08 (\$M except Staff Strength)
Operating	465.7
Ontario Municipal Partnership Fund	916.7
Operating Contingency Fund	50.0
Power Purchases	831.0
Interest on Debt	8,966.0
Capital	0.0
Staff Strength (as of March 31, 2008)	1,929.4

* Refer to page 119 & 120 [2008 Ontario Budget](#).